

**CHAPTER NO. 243**

**SENATE BILL NO. 750**

**By Henry**

Substituted for: House Bill No. 671

By Langster, Sherry Jones, Briley, Pruitt

AN ACT To amend Tennessee Code Annotated, Title 13, Chapter 20, Part 1, relative to housing authorities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-20-104(a), is amended by adding a new subdivision (6) and renumbering the existing subdivisions accordingly:

(6) Own, operate, assist, or otherwise participate in one (1) or more mixed-finance projects to provide for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any housing project or any part thereof. An authority may provide capital assistance, operating assistance and financing assistance to a mixed-finance project in the form of a grant, loan, guaranty, collateralization or other form of investment in the project, or other form of public or private borrowings, for the construction or rehabilitation of a housing project.

SECTION 2. Tennessee Code Annotated, Section 13-20-102, is amended by adding the following appropriately numbered new subdivision:

( ) "Mixed-Finance Project" means a project that is financially assisted by private resources, which may include low-income housing tax credits, in addition to an amount provided under any state or federal program. "Mixed-finance project" includes a project that is developed:

(A) By an authority or by an entity affiliated with an authority;

(B) By a partnership, a limited liability company, or other entity in which the authority (or an entity affiliated with an authority) is a general partner, managing member, or otherwise participates in the activities of the entity; or

(C) By any entity that grants to the authority the right of first refusal and first option to purchase, after the close of the compliance period, of the qualified low-income building in which the public housing units exist in accordance with Section 42(i)(7) of the Internal Revenue Code of 1986, as amended.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 19, 1999

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of May 1999

  
DON SUNDQUIST, GOVERNOR